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RESERVE

MILK MARKET INFORMATION BULLETIN
CHATTANOOGA, TENNESSEE, MARKETING AREA

Volume 16

JULY 1972

Number 12

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Federal Order No. 90, 112 Lee Parkway Drive, Chattanooga, Tennessee 37411
J. E. Bobo, Market Administrator

MARKET SUMMARY - JULY 1972

The Chattanooga Order MINIMUM uniform producer prices per cwt. at pool plants for milk testing 3.5% butterfat are: Base Milk - \$6.60 and Excess Milk - \$5.01. The producer butterfat differential is 8.0 cents for each one-tenth of one percent above or below 3.5% test. This is a Base and Excess price increase of 51 cents and 24 cents respectively above July 1971.

In July 1972, 69.8% of producer milk received by pool plants was priced in Class I at \$7.09 per cwt. and 30.2% was priced in Class II at \$5.01 per cwt. The July butterfat differential for Class I was 8.1 cents and Class II was 7.8 cents.

Total producer milk received during July 1972 was 35,803,494 pounds which is a decrease of 2,543,549 pounds or 6.6% compared with July 1971. Deliveries of producer Base milk exceeded producer milk used in Class I by 7,668,697 pounds or percentagewise only 76.5% of Base milk was used in Class I. The July daily average deliveries from 741 producers was 1,559 pounds. This compares to 905 farms delivering a daily average of 1,367 pounds per day during July 1971.

FEDERAL MILK ORDER MARKETS

There were 62 Federal milk order markets in 1971 or 18 more than in 1951, but 21 fewer than the high of 83 reached in 1962. At the end of 1951 the population of the 44 marketing areas was 39,891,000 persons. Preliminary data for 1971 indicate there were 142,933,308 persons residing in Federal milk marketing order areas at year end, an increase of over 258%. The 1971 population estimate reflects a gain of 13.7% from a year earlier.

The number of handlers was 1,343 in 1951. The largest number of handlers was 2,314 in 1961. Since 1961, the number of handlers has declined to 1,531 in 1971.

The average number of producers supplying milk to fully regulated handlers during 1971 was 141,318, a decrease of 31,009 from 20 years earlier, and 51,629 less than in 1961 when the largest number of producers was recorded.

Deliveries of producer milk to handlers in 1971 totaled 67,855 million pounds, the largest volume ever recorded to date, an increase of 237% from the 1951 total. In 1971, 59.3% of producer milk deliveries were allocated to Class I uses compared to 63.2% 20 years earlier. The highest Class I utilization percentage in the last 20 years was in 1966 when the figure was 65.7%.

The simple average Class I milk price for all Federal order markets in 1951 was \$5.13; in 1971 the weighted average Class I milk price was \$6.90, an increase of \$1.77 per cwt. at 3.5% butterfat content. The weighted average blend price for producer milk in 1971 was \$6.08, up \$1.49 from the \$4.59 simple average blend price in 1951.

AUG 20 1972

Source: Federal Milk Order Market Statistics

PROCUREMENT SECTION
Alphabetical Serial File

COMPARISON OF MILK RECEIPTS AND UTILIZATION

	% July '72 Over July '71	July 1972	June 1972	July 1971
Number of Plants - Pool		7	7	8
- Non-Pool		14	14	13
<u>RECEIPTS POUNDS (DAILY AVERAGE)</u>				
Producer Milk	- 6.6	1,154,951	1,184,050	1,237,001
Other Source	- 0.1	30,493	38,460	30,533
Other Federal Orders	+44.1	150,657	124,117	104,555
TOTAL MILK RECEIPTS	- 2.6	1,336,101	1,346,627	1,372,089
<u>UTILIZATION POUNDS (DAILY AVERAGE)</u>				
<u>Class I Uses</u>				
Homo Milk	+ 2.5	427,279	428,390	416,866
Skim	0.0	21,185	22,049	21,187
2% Milk	+10.0	141,917	144,600	129,074
Buttermilk	+ 1.3	58,273	60,896	57,526
Flavored Milk and Drink	+36.2	26,089	23,743	19,149
Creams (Sweet and Sour)	+ 4.6	3,806	3,855	3,639
Yogurt	- 2.4	579	636	593
Sub-Total - Pkg. Products (Pool Plants)	+ 4.8	679,128	684,169	648,034
Other (Shrinkage, Inventory, etc.)		13,478	8,950	5,022
Sales to Non-Pool Plants	+79.3	176,814	36,313	98,608
In-Area Sales by Non-Pool Plants	+ 2.9	41,187	42,510	40,016
TOTAL CLASS I MILK	+15.0	910,607	771,942	791,680
<u>Class II Uses - Pool Plants</u>				
Ice Cream Mixes	- 0.2	67,360	79,961	67,497
Cottage Cheese	- 4.3	47,501	54,085	49,624
Powdered and Condensed Milk		-0-	2,101	-0-
Livestock Feed and Milk Dumped	+11.5	9,361	8,613	8,394
Sub-Total - Used to Produce	- 1.0	124,222	144,760	125,515
Shrinkage Class II		18,926	18,789	16,666
Other (Inventory Variation, etc.)		7,859	(17,807)	(18,854)
Bulk Sales to Non-Pool Plants	-39.9	274,487	428,943	457,082
TOTAL CLASS II MILK	-26.7	425,494	574,685	580,409
Class I Pkg. Lbs. In Area - Pool Plants	- 0.3	484,199	500,949	485,618
Class I Pkg. Lbs. Out of Area-Pool Plants	+20.0	194,929	183,220	162,416
Class I Pkg. Lbs. In Area - Non-Pool Plants	+ 2.9	41,187	42,510	40,016
% Producer Milk of Gross Class I		126.8	153.4	156.3
% Producer Milk Priced in Class I		69.8	57.5	56.1

TOTAL PACKAGE CLASS I DAILY AVERAGE POUNDS ON ROUTES IN THE
MARKETING AREA BY POOL PLANTS AND NON-POOL PLANTS

	% July '72 Over July '71	July 1972	June 1972	July 1971
Whole Milk	- 2.7	345,754	357,689	355,344
Skim Milk	+ 1.6	14,972	15,499	14,737
2% Milk	+ 7.2	93,766	97,005	87,431
Buttermilk	- 3.2	46,806	49,794	48,351
Flavored Milk and Drink	+26.5	20,651	19,924	16,325
Fluid Creams and Yogurt	- 0.3	3,437	3,548	3,446
Total	- 0.05	525,386	543,459	525,634

COMPUTATION OF PRODUCER UNIFORM BASE AND EXCESS PRICES
AND WEIGHTED AVERAGE PRICE

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July 1972	Class %	Milk Pounds	Butterfat Test-%	Cwt. Price @ Test	Gross Value
Gross Class I		28,228,828	3.118		
Less Other Source		3,237,090	2.586		
Producer Milk Class I	69.8	24,991,738	3.186857	\$6.836354	\$1,708,523.68
Gross Class II		13,190,294	4.554		
Less Other Source		2,378,538	3.476		
Producer Milk Class II	30.2	10,811,756	4.791534	6.017397	650,586.28
TOTAL PRODUCER MILK (Cl. I+Cl. II)	100.0	35,803,494	3.671429		\$2,359,109.96
Add Fractional Adjustment					.06
Add Value of Class I Other Source and Producer Location Adjustment		4,595	0.00		727.96
Add ½ Producer-Settlement Fund Reserve					17,063.50
TOTAL VALUE AT TEST		35,808,089	3.670958	\$6.637890	\$2,376,901.48
Less Test over 3.5% @8.0¢ per point		35,808,089	.170958	0.136766	48,973.29
TOTAL UTILIZATION VALUE AT 3.5% TEST		35,808,089	3.5	\$6.501124	\$2,327,928.19
Less Reserve per §1090.71 (f)		35,808,089		.041124	
WEIGHTED AVERAGE PRICE - 3.5% TEST		35,808,089		\$6.46	
Less FMP from Unregulated Supply Plants					
Allocated to Class I @ Wt. Av. Price		4,595		\$6.46	296.84
TOTAL PRODUCER MILK VALUE @ 3.5% TEST		35,803,494			\$2,327,631.35

BASE AND EXCESS PRICES

	Milk Pounds	Cwt. Price @ Test	Amount	
TOTAL PRODUCER MILK VALUE @ 3.5% TEST	35,803,494			\$2,327,631.35
Excess Producer Milk Used in Class I	-			
Excess Producer Milk Used in Class II	3,143,059	\$5.01	\$157,467.26	
UNIFORM EXCESS PRICE - 3.5% TEST	3,143,059	5.01		157,467.26
Total Value of Base Milk	32,660,435	\$6.644627		\$2,170,164.09
Less Producer-Settlement Fund Reserve	32,660,435	.044627		14,575.37
UNIFORM BASE PRICE - 3.5% TEST	32,660,435	\$6.60		\$2,155,588.72

JULY 1972 MINIMUM PRODUCER PRICES CWT. f.o.b. CHATTANOOGA POOL PLANTS
BUTTERFAT DIFFERENTIAL 8.0¢ PER POINT (EXCLUDES PREMIUMS)

TEST-%	BASE	EXCESS	TEST-%	BASE	EXCESS	TEST-%	BASE	EXCESS
3.0	\$6.20	\$4.61	4.0	\$7.00	\$5.41	5.0	\$7.80	\$6.21
3.05	6.24	4.65	4.05	7.04	5.45	5.05	7.84	6.25
3.1	6.28	4.69	4.1	7.08	5.49	5.1	7.88	6.29
3.15	6.32	4.73	4.15	7.12	5.53	5.15	7.92	6.33
3.2	6.36	4.77	4.2	7.16	5.57	5.2	7.96	6.37
3.25	6.40	4.81	4.25	7.20	5.61	5.25	8.00	6.41
3.3	6.44	4.85	4.3	7.24	5.65	5.3	8.04	6.45
3.35	6.48	4.89	4.35	7.28	5.69	5.35	8.08	6.49
3.4	6.52	4.93	4.4	7.32	5.73	5.4	8.12	6.53
3.45	6.56	4.97	4.45	7.36	5.77	5.45	8.16	6.57
3.5	6.60	5.01	4.5	7.40	5.81	5.5	8.20	6.61
3.55	6.64	5.05	4.55	7.44	5.85	5.55	8.24	6.65
3.6	6.68	5.09	4.6	7.48	5.89	5.6	8.28	6.69
3.65	6.72	5.13	4.65	7.52	5.93	5.65	8.32	6.73
3.7	6.76	5.17	4.7	7.56	5.97	5.7	8.36	6.77
3.75	6.80	5.21	4.75	7.60	6.01	5.75	8.40	6.81
3.8	6.84	5.25	4.8	7.64	6.05	5.8	8.44	6.85
3.85	6.88	5.29	4.85	7.68	6.09	5.85	8.48	6.89
3.9	6.92	5.33	4.9	7.72	6.13	5.9	8.52	6.93
3.95	6.96	5.37	4.95	7.76	6.17	5.95	8.56	6.97

CHATTANOOGA ORDER MILK PRICES (3.5 PERCENT TEST)

Date	PRODUCER UNIFORM PRICES 1/				HANDLER CLASS PRICES 1/			
	Per Hundredweight				Class I		Class II	
	Uniform	Base	Excess	Bf. Dif.	Cwt.	Bf. Dif.	Cwt.	Bf. Dif.
July '71	\$5.95 2/	\$6.09	\$4.77	8.0¢	\$6.91	8.1¢	\$4.77	7.8¢
Aug.	5.92	-	-	8.0	6.92	8.1	4.77	7.8
Sept.	6.30	-	-	8.0	6.92	8.1	4.83	7.8
Oct.	6.35	-	-	8.0	6.98	8.2	4.82	7.8
Nov.	6.25	-	-	8.0	6.97	8.2	4.84	7.8
Dec.	6.20	-	-	8.0	6.99	8.2	4.93	7.8
Jan. '72	6.22	-	-	8.0	7.08	8.2	4.97	7.8
Feb.	6.20	-	-	8.0	7.08	8.1	4.97	7.8
Mar.	6.23 2/	6.35	5.04	8.0	7.12	8.1	5.04	7.8
Apr.	6.10 2/	6.25	4.96	8.0	7.12	8.1	4.96	7.8
May	6.12 2/	6.26	4.94	8.0	7.19	8.1	4.94	7.8
June	6.19 2/	6.30	4.95	8.0	7.11	8.1	4.95	7.8
July	6.46 2/	6.60	5.01	8.0	7.09	8.1	5.01	7.8
Aug.	-	-	-	-	7.10	8.1	-	-
Sept.	-	-	-	-	7.16	-	-	-

Date	PRICE QUOTATIONS			PRODUCER MILK USE (Daily Average)			
	Chi. 92° Butter	Chi. Area Powder	Minn/Wisc. Mfg. Milk	Class I		Class II	
	¢ Lb.	¢ Lb.	Cwt.-3.5%	Pounds	Test-%	Pounds	Test-%
July '71	67.78	31.63	\$4.77	693,356	3.22	543,645	4.25
Aug.	67.78	31.53	4.77	632,385	3.22	510,832	4.28
Sept.	68.13	31.63	4.83	872,513	3.28	336,032	4.84
Oct.	67.95	31.70	4.82	844,555	3.25	341,121	5.26
Nov.	67.94	31.61	4.84	795,557	3.28	407,740	5.22
Dec.	67.96	31.63	4.93	746,539	3.28	462,124	5.19
Jan. '72	67.79	31.31	4.97	736,232	3.25	488,801	5.16
Feb.	67.78	31.41	4.97	717,023	3.23	512,306	5.07
Mar.	67.78	31.44	5.04	715,940	3.18	524,310	4.79
Apr.	67.71	31.46	4.96	677,865	3.14	609,946	4.45
May	67.71	31.36	4.94	663,443	3.22	604,609	4.16
June	67.71	31.37	4.95	680,498	3.12	503,552	4.43
July	67.84	31.45	5.01	806,185	3.19	348,766	4.79

SUMMARY OF RECEIPTS AND USE (DAILY AVERAGE POUNDS)

Date	HANDLERS GROSS MILK 3/				PRODUCER DATA				
	No.	Total	Class I	Pool	No.	Total	Base	Average	Av. Per.
	Hdlers	Receipts	Use	Plants	Prod.	Delivery	Delivery	Test-%	Farm
July '71	21	2,372,089	791,680	8	905	1,237,001	1,109,761	3.67	1,367
Aug.	20	1,286,252	724,933	7	792	1,143,217	-	3.69	1,443
Sept.	20	1,356,381	967,949	7	789	1,208,545	-	3.71	1,532
Oct.	20	1,334,666	943,324	7	789	1,185,676	-	3.83	1,503
Nov.	20	1,366,329	899,192	7	767	1,203,297	-	3.94	1,569
Dec.	21	1,376,893	838,001	7	767	1,208,663	-	4.01	1,576
Jan. '72	21	1,395,476	827,841	7	765	1,225,033	-	4.01	1,601
Feb.	21	1,396,971	811,826	7	761	1,229,329	-	4.00	1,615
Mar.	21	1,416,663	804,428	6	754	1,240,250	1,129,789	3.86	1,645
Apr.	21	1,465,359	765,713	7	749	1,287,811	1,148,033	3.76	1,719
May	21	1,472,482	755,899	7	745	1,268,052	1,136,103	3.67	1,702
June	21	1,346,627	771,942	7	745	1,184,050	1,088,364	3.67	1,589
July	21	1,336,101	910,607	7	741	1,154,951	1,053,562	3.67	1,559

1/ Excludes Premiums

2/ Weighted Average Price

3/ Other Source is Gross minus Producer; Class II is Receipts minus Class I